
Titagarh Wagons plans to buy Cimmco Birla

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BS reported that Titagarh Wagons Limited's plan to buy stake in the sick wagon unit of the SK Birla Group, Cimmco Birla will materialize in a couple of months. Titagarh Wagons Limited along with the SK Birla Group will have to repay the INR 500 crore debt on Cimmco Birla's books.

Mr JP Chowdhary CMD of Titagarh Steels Limited said "We expect to get the BIFR nod in less than 2 months' time when we can start work on revival plans."

Mr Chowdhary said "Net fund requirement to revive the sick company is yet to be worked out. It would include investments on modernization of plant and machinery, workers' payments as well as repaying debt." Modernization was first on the agenda while the debt would be paid back over a period of time.

As for the TWL-FreightCar America JV to manufacture high axle load wagons, the government has initiated the land acquisition process near the Kalyani expressway. Around 100 acres was identified at the location last year. While the project cost is around INR 150 crore to INR 200 crore, FreightCar is likely to bring in equity. It holds a 51% in the JV.

Meanwhile, the process of merging TSL with TWL after it was approved by the company's board in May 2009, would take around 4 to 5 months time.

(Sourced from Business Standard)

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